✅ Latest release

People quadrant

Labour Statistics: Concepts, Sources and Methods

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The People quadrant provides statistics on employed people, people looking for and available for employment (unemployed people), and underemployed people.

People quadrant
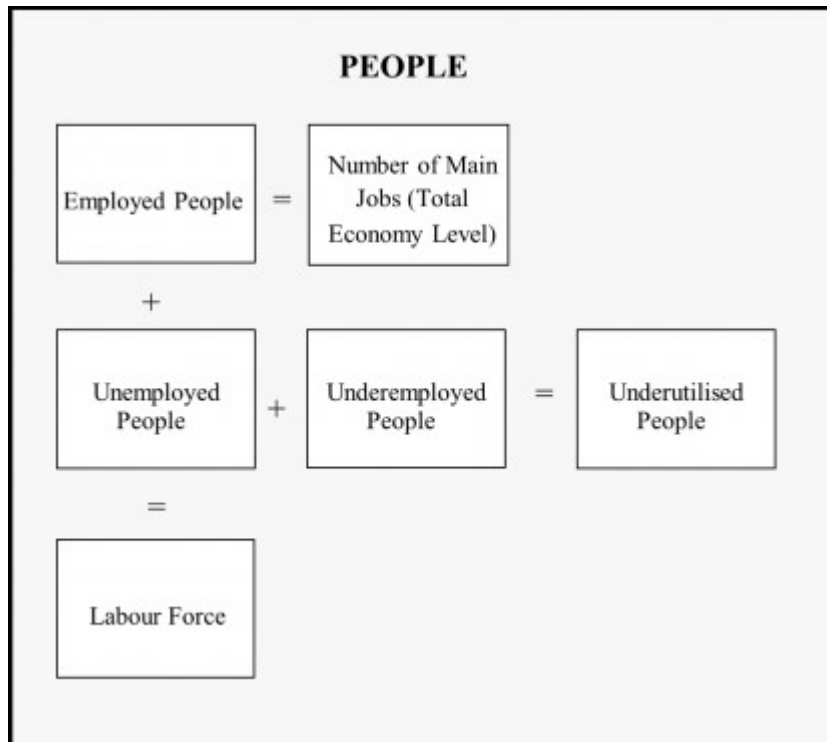
People concepts

The official measure of the population of Australia is based on the concept of usual residence. It refers to all people, regardless of nationality, citizenship or legal status, who usually live in Australia, with the exception of foreign diplomatic personnel and their families.

The Australian Labour Account uses a practical application of the '12/16' rule to establish usual resident status for non-resident visa holders with working rights. A person is regarded as a usual resident if they have been (or expect to be) residing in Australia for a period of 12 months or more. This 12 month period does not have to be continuous and is measured over a 16 month period. For more information on the '12/16 month rule' methodology, see the [Technical Note in Migration, Australia, 2008-09 (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/3412.0Technical%20Note12008-09?opendocument&tabname=Notes&prodno=3412.0&issue=2008-09&num=&view=)](https://www.abs.gov.au/AUSSTATS/abs@.nsf/Previousproducts/3412.0Technical%20Note12008-09?opendocument&tabname=Notes&prodno=3412.0&issue=2008-09&num=&view=) .

The scope of the population in the Australian Labour Account includes all people who contribute to Australian economic activity, irrespective of age.

People sources

Labour statistics represented in the People quadrant are mostly sourced from estimates calculated from the monthly Labour Force Survey. Labour Force Survey data are supplemented with defence force information, child workers information and information on non-residents.

Data from the ABS Linked Employer Employee Dataset (LEED) are used to determine industry of employment of secondary job holders, and applied to Labour Force Survey data to calculate total jobs in each industry. This information is used to adjust the Labour Force Survey estimate of employed people in each industry, by excluding multiple job holding within the same industry from the total number of filled jobs.

The table below summarises data sources used in compiling quarterly and industry estimates of people.

Source data	Use in compiling quarterly data
Labour Force Survey	Used to compile estimates of employed people, unemployed people, underemployed people, people not in the labour force and the civilian population. Also used to model movements of employed children under 15 years before and after 2006.
Department of Defence	Used to estimate employed defence personnel.
Child Employment Survey	Used to estimate the base employed children under 15 years in 2006.
Participation, Jobs Search and Mobility and Labour Mobility, Australia	Used to convert estimates of employed children under 15 years who worked at any point over the year to an end of quarter basis.
Australian Demographic Statistics	Used to estimate employed children under 15 years.
Migration, Australia and Overseas Arrivals and Departures, Australia	Used to estimate employed non-residents.
Balance of Payments	Used to estimate employed Australian residents living in Australia and employed by overseas companies/business entities.

People methods

The People quadrant provides data on the number of employed, unemployed and underemployed people for each quarter. People statistics are compiled for all industries (at both the division and subdivision level) and for the economy as a whole. Unless otherwise stated, the methods described apply to both levels of aggregation.

Labour Account employed people

Similar adjustments to those made in compiling the Jobs quadrant are made to adjust the employed people estimate from the Labour Force Survey to align with 2008 SNA production and residence concepts. These include adding estimates of:

- permanent defence force personnel sourced from the Department of Defence;
- the number of employed children aged 5 to 14 (child workers). Estimates of the employment rate of children aged 5 to 14 years are modelled based on data sourced from the 2006 Child Employment Survey, Participation, Job Search and Mobility survey, and the Labour Force Survey (LFS). The Child Employment Survey measured employment at any point over the previous 12 months. Those employment estimates are converted to an end-of-quarter stock using data from the Participation, Job Search and Mobility Survey (PJSM). The Child Employment Survey was conducted once, in 2006, so movements in LFS data are used to extrapolate the estimates across time. LFS data is also used to model the industry of employment. The LFS and PJSM data used are restricted to people aged 15 years on the assumption that their characteristics are the most comparable of any age group with consistently measured employment, to the population aged 5 to 14 years;
- non-residents employed in Australia by Australian businesses who are classified into five groups:
  - Student visa holders: To estimate the number of employed student visa holders, the annual rate of employment sourced from the Survey of Education and Work (SEW), apportioned into quarters using quarterly estimates of employed resident student population from the Labour Force Survey (LFS), is multiplied by the number of non-resident student visa holders;
  - Sponsored visa holders: To estimate the number of employed primary sponsored visa holders, it is assumed that all visa holders in this group are employed because skilled migration visas require the applicants to be employed for the duration of their presence while holding the visa. Secondary sponsored visa holders are group with other non-student visa holders.
  - 444 visa holders (New Zealand (NZ) citizens): To estimate the number of employed NZ citizens, the annual rate of employment of NZ citizens sourced from SEW, apportioned quarterly using non-student population from the LFS, is applied to the number of 444 visa holders;
  - Working holiday visa holders: To estimate the number of employed working holiday visa holders, the annual rate of employment of non-student visa holders (excluding NZ citizens) sourced from SEW, apportioned quarterly using non-student population from the Labour Force Survey, is applied to the number of working holiday visa holders;
  - Other non-student visa holders: the method used is the same as for estimating employed working holiday visa holders; and
- Australian residents employed overseas.

At an industry level, similar assumptions are made with respect to multiple job holding for these groups as for employed people generally, with the exception of the following groups:

- permanent defence forces, whose employment conditions are presumed to exclude secondary jobs;

- sponsored visa holders, who visa conditions exclude additional jobs; and

- employed children under 15 years, who are also assumed to work only one job.

Similar to the Jobs quadrant, the People quadrant, where relevant, uses data sourced from information collected in the Labour Force Survey in the last month of the relevant quarter, and apportions this across industry divisions and subdivisions using the related quarterly labour force industry data. For example, estimates in the September quarter labour account are sourced from September month Labour Force data, which are then distributed across industry divisions and subdivisions from the industry distribution of quarterly data captured in the August Labour Force Survey.

Calculation of employed people by industry

At an industry level, the number of employed people is the sum of those holding main jobs in the industry, plus those holding secondary jobs after adjusting for double counting (i.e. for people holding multiple jobs in the same industry). The Labour Force Survey captures data quarterly on the industry of the main job held by employed people. For each employed person, it also records the number of secondary jobs held (second, third, fourth or more). The Labour Force Survey does not record the industry of secondary jobs.

Data from the ABS Linked Employer Employee Dataset (LEED) are then used to determine the proportions of the industry of employment of second, third and fourth jobs for multiple job holders, and applied to industry of main job Labour Force Survey data. These proportions are used to allocate the relevant quarterly Labour Force Survey secondary job holdings to each industry, to estimate the total number of filled jobs in each industry.

These proportions are extracted as at the end date for each quarter from the LEED, and are updated as new data points become available. Industry proportions from the earliest available LEED are applied to earlier time periods in the Australian Labour Account, and similarly the latest available proportions are applied to subsequent time periods where necessary.

To estimate the number of people employed in each industry, instances where the industry of second job is the same as the industry of main job are identified. These jobs are removed to derive a count of the number of additional people employed in each industry, and added to LFS main job data.

The Labour Force Survey provides an estimate of employed people in each industry of main job. The Australian Labour Account produces the total number of people employed in each industry from an industry perspective. As a result, the sum of employed people in the Australian Labour Account across industry divisions does not equal the total number of people employed in the whole economy.

The purpose of adjusting the Labour Force Survey number of people employed in each industry of main job is to provide information on the total number of people employed in each industry in a time series. This could be used to assess training programs or policy changes targeting a particular industry, to provide a more realistic picture of the number of people who may be impacted by any such change.

For people out of scope of the Labour Force Survey,

- personnel defence force personnel are classified to industry Public Administration and Safety (ANZSIC division O) and subdivision Defence (ANZSIC subdivision 76)
- employed children aged 5-14 years are classified to industry of employed people aged 15 years of age;
- non-residents are classified according to their main and secondary jobs as detailed in the methods in Jobs quadrant.

Multiple Job Holders

The Labour Force Survey identifies multiple job holders as employed people who, during the reference week, worked in more than one job and that was not the result of changing jobs. Multiple job holding is the main reason why estimates of employment from the Labour Force Survey cannot be equated to estimates of jobs. Also, in the Labour Force Survey, industry classification for multiple job holders is based on their main job.

In the Linked Employer Employee Dataset (LEED), multiple job holders are people who have two or more concurrent jobs at any point during the financial year. Industry information is available for each individual job.

The Australian Labour Account uses both Labour Force Survey and LEED data, and can use this information to provide data on the number of multiple job holders. This is distinct from the number of secondary jobs for each industry, which is presented in the Jobs quadrant.

Estimates of multiple job holders in the Australian Labour Account are compiled by applying proportions from business/ administrative data sources (the LEED) to balanced numbers of main jobs for each industry, while controlling to the proportion of multiple job holding at the total economy level taken from the Labour Force Survey.

Additional estimates of people

The People quadrant includes additional related estimates at both total economy and industry levels for:

- Unemployed People;
- Underemployed People;

- Underutilised People; and

- People not in the Labour Force (total economy only).

It should be noted that industry estimates for the unemployed population are based on industry of last job worked (within the past two years) from the Labour Force Survey, and do not necessarily equate to the industries in which the unemployed are currently seeking work, nor do they include those who have never held a job previously. As such, care should be exercised when interpreting estimates of unemployed people (and therefore underutilised people and the total labour force) on an industry basis.

Annual estimates of people

The People quadrant contains stock data, which are data that measure certain attributes at a point in time. To determine an annual estimate of people in this quadrant, an average level is derived using a simple arithmetic average of the four quarterly estimates. Refer to Labour Account Methods for an example of this method.

The annual estimate of employed people is an approximate estimate of the number of people employed at any point in time during the year.

People quadrant calculations

People quadrant sources and calculations

Top flow (navy blue)

Column 1:

Labour Force Survey (LFS) main jobs by status in employment (monthly); *MULTIPLIED BY*

↓

Labour Force Survey (LFS) main jobs by status in employment (quarterly industry proportions); *EQUALS*

↓

Labour Force Survey employed persons by industry by quarter

Column 2:

Defence personnel (NAB); *PLUS*

↓

Non residents employed in Australia adjustment (ABS); *PLUS*

↓

Child workers (all employed children) (ABS); *PLUS*

↓

Secondary employment adjustment (Jobs quadrant); *LESS*

↓

Residents employed overseas adjustment (BoP); *EQUALS*

↓

Adjustments to employed people

Column 3:

Labour Force Survey employed people by industry by quarter; *PLUS*

↓

Adjustments to employed people; *EQUALS*

↓

Labour Account employed people by industry by quarter

Bottom flow (green)

Column 1:

Labour Force Survey (LFS) unemployed (monthly); *MULTIPLIED BY*

↓

Labour Force Survey (LFS) unemployed by industry of last job (quarterly industry proportions); *EQUALS*

↓

Labour Force Survey unemployed people by industry of last job by quarter

Column 2:

Labour Force Survey (LFS) underemployed people (monthly); *MULTIPLIED BY*

↓

Labour Force Survey (LFS) underemployed people by industry of main job (quarterly industry proportions); *EQUALS*

↓

Labour Force Survey underemployed people by industry of main job by quarter

Column 3:

Labour Force Survey unemployed people by industry of last job by quarter; *PLUS*

↓

Labour Force Survey underemployed people by industry of main job by quarter; *EQUALS*

↓

Labour Force Survey underutilised people by industry by quarter

Column 4:

Labour Force Survey unemployed people by industry of last job by quarter; *PLUS*

↓

Labour Account employed people by industry by quarter; *EQUALS*

↓

Labour Account Labour Force total by industry by quarter